

DEPARTMENT OF FOOD AND AGRICULTURE**William (Bill) J. Lyons, Jr., Secretary**

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April 1, 2003

RE: ANNOUNCEMENT OF MINIMUM CLASSES 2, 3, 4a and 4b PRICES FOR MARKET MILK

TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Classes 2, 3, 4a and 4b market milk for March, April and May 2003. All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Classes 2, 3, 4a and 4b purposes as specified on the reverse side of this page.

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

This price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento, or from outside of California, please call (916) 442-MILK. You can also access this information over the Internet on the Department's Homepage. The address is <http://www.cdfa.ca.gov/dairy>. From the Homepage, select [Prices] from the Shortcuts sidebar. Once there, be sure to make a bookmark for future reference.

For more information, please contact us at the numbers above or e-mail us at dairy@cdfa.ca.gov.

Sincerely,

David K. Ikari, Chief
Dairy Marketing Branch

**MINIMUM PRICES FOR CLASSES 2, 3, 4a & 4b MARKET MILK
F.O.B. PROCESSING PLANT**

Released: April 1, 2003

CLASS 2:			EQUIVALENT
For April and May 2003	LB. FAT	LB. SNF	PER CWT.
Northern California	\$1.1454	\$0.7031	\$10.13
Southern California	\$1.1477	\$0.7289	\$10.36

CLASS 3:			EQUIVALENT
For April and May 2003	LB. FAT	LB. SNF	PER CWT.
Northern California	\$1.1454	\$0.6974	\$10.08
Southern California	\$1.1477	\$0.6974	\$10.08

CLASS 4a:			EQUIVALENT
March 2003	LB. FAT	LB. SNF	PER CWT.
Statewide	\$1.1224	\$0.6356	\$9.46

CLASS 4b:			EQUIVALENT
March 2003	LB. FAT	LB. SNF	PER CWT.
Statewide	\$1.1224	\$0.5643	\$8.84

COMMODITY MARKET PRICES:	\$ PER LB.
Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (Feb. 26th - Mar. 25th)	\$1.0823
Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (Feb. 26th - Mar. 25th)	\$1.0694
California Extra Grade & Grade A Nonfat Dry Milk - Monthly Weighted Average (Feb. 26th - Mar. 25th)	\$0.8030

May 2003 Class 1 price will be announced no later than 4:00 p.m. on April 10, 2003.

June and July 2003 Class 2 and 3 prices will be announced no later than 4:00 p.m. on June 2, 2003.

April 2003 Class 4a and 4b prices will be announced no later than 4:00 p.m. on April 30, 2003.